

CHARTER TOWNSHIP OF DELTA
Public Meeting Room B
Delta Township Administration Building
7710 West Saginaw Highway
Lansing MI 48917

TOWNSHIP BOARD COMMITTEE OF THE WHOLE MINUTES
MONDAY, APRIL 14, 2014

I. CALL TO ORDER –

Supervisor Fletcher called the meeting to order at 6:00 p.m.

II. ROLL CALL –

Members Present: Trustees Karen Mojica, R. Douglas Kosinski, Jeff Hicks and Dennis Fedewa, Treasurer Howard Pizzo, Clerk Mary R. Clark, and Supervisor Kenneth Fletcher.

Members Absent:

Others Present: Township Manager Richard Watkins, Deputy Manager Jenny Roberts, Finance Director Jeff Anderson, Community Development Director Mark Graham, Assistant Community Development Director Gary Bozek and Planner Chris Gruba.

III. SET/ADJUST AGENDA –

TRUSTEE FEDEWA MOVED TO ADOPT THE AGENDA AS PRESENTED.

TREASURER PIZZO SUPPORTED THE MOTION.

THE MOTION PASSED 7-0

IV. PUBLIC COMMENT – Eric and Rachel Rosendale who live at 4625 Arden Road spoke regarding the proposed sidewalk placement through their yard. Mr. Rosendale stated that as it is staked now, it eliminates a good portion of their driveway and there is a concern over adequate parking space for visitors and not getting ticketed.

Community Development Director Graham explained that the sidewalk is staked 33 feet from the center of the road to allow for a six foot sidewalk which is required by the Eaton County Road Commission to be ten feet away from the road. However, Director Graham stated that they would meet with the property owners to go over the plan and what if anything can be changed.

V. MANAGER'S REPORT –

- Manager Watkins stated that at the Eaton County Road Commission meeting there was more discussion regarding the millage proposal related to fixing

roads within Eaton County. The proposed millage is 1 ½ mills over ten years and the ECRC is bringing this to their next meeting on May 13, 2014 for consideration. Manager Watkins stated that there is information that he will distribute and requests after having reviewed it – if there are questions or concerns to get them to him prior to the ECRC meeting on May 13, 2014. Manager Watkins further stated that the millage proposal would be used to fix all Eaton County roads that are rated poor over the ten year period and 90% of Delta Township roads would be redone. Comparatively, 100% of all roads in every Township except four are rated poor – with Delta Township being one.

Clerk Clark asked Manager Watkins to share information regarding the State of Michigan gas tax and registration fees that come back to Eaton County that only 25% of those dollars can be used to fix local roads which account for 90% of Eaton County roads.

Treasurer Pizzo stated that Blair of the Eaton County Road Commission has voiced interest in attending a Transportation Committee meeting and would be willing to hold that meeting prior to the ECRC meeting.

Trustee Kosinski stated that he would be fine meeting at an earlier date and mentioned the current discussions in the legislature regarding increased funding for roads. Manager Watkins stated that the concern regarding that would be that the increase would all be appropriated toward the major roads in the State and not the local roads.

Supervisor Fletcher stated that his concern with the proposal is that the funds included in the millage would not equate to faster plow times in the winter.

Clerk Clark stated that there has been an increase in calls regarding pot holes, Manager Watkins stated that there would likely be more. Clerk Clark suggested that perhaps the issue can be taken up with the Transportation Committee for a recommendation to change the proposal to 2 mills to incorporate snow removal.

Manager Watkins stated that the crux of the issue is Public Act 51 passed in 1951 which dictates the method of distribution of gas tax funds to the local units of government and that Delta Township is the only urbanized area in Eaton County compared to Ingham County, who has urban population in adjacent cities such as Lansing and East Lansing. Ingham County maintains about the same amount of roads as Eaton and gets triple the money. Manager Watkins stated that the way funds are distributed needs to be revised.

Clerk Clark stated that as an example of how expensive snow plowing is, the additional revenue the legislature put out from the overage of the current fiscal year and was divided amongst all of the counties – of which Eaton County received over \$475,000. Clerk Clark noted that even with that amount, it was still short of the additional snow plowing budget and was about \$25,000 short.

Clerk Clark stated that residents of Delta Township want the services of a city and in order to provide that, there must be the tax base of a city. Clerk Clark notes that perhaps there needs to be a conversation explaining the funding of differences of cities vs townships and how it works – that when she has explained it to residents and they understand it, they are satisfied.

- Manager Watkins stated that East Lansing nominated Delta Township for an award from the MML (Michigan Municipal League), including the other 5 communities that banded together for the Fire Study comprising Region 2. There were six other regions competing.
- Manager Watkins stated that Courtland Consulting gave the Township about 500 key cards to distribute the Township Welcome Packet. Courtland Consulting printed them up for Delta Township and included their company name on the reverse side. Manager Watkins stated that they are large enough to fit quite a bit of data and what might be included on them is being discussed.
- Manager Watkins stated that a decision has been made about where to purchase the banners and brackets for them and if they haven't already been ordered, will be shortly.
- Manager Watkins stated that there is a proposal to redo the Welcome sign on the East side of the Township to make it more visible and eye catching. Discussion ensued regarding landscaping and digital signage. Currently the proposal is only for sprucing up the current sign.

VI. ITEMS OF DISCUSSION –

1. Zoning Ordinance Update/Consultant Selection, Gary Bozek

Assistant Community Development Director Bozek stated that a proposal was requested of 6 well known consultant companies and 4 responses were received and reviewed. Two of those firms were interviewed and after the interviews, staff and Manager Watkins met and discussed both, with the recommendation of Carlisle/Wortman Associates, Inc.

Selection was made based on a few items – among them is company size, their product is tailored to the local community, ordinances that can be used on lots, experience on staff. A project manager was interviewed who asked a lot of questions regarding the Township.

Trustee Kosinski commented on the flexibility shown in their proposal and their recognition of unique requirements of communities.

Treasurer Pizzo asked whether this bid was the highest and Assistant Community Development Director Bozek stated that it was in the middle. Treasurer Pizzo asked whether the hours included in the proposal were enough, and Assistant Director Bozek stated that if more meetings were requested, there would more costs.

Treasurer Pizzo asked how the Board would be kept apprised of major changes to the cost of the contract. Township Manager Watkins stated that prior to the proposal being written, concerns regarding the Saginaw Corridor were emphasized. Manager Watkins stated that he suggested to Carlisle/Wortman Associates, Inc. meeting with the Board to have a dialogue prior to beginning the process – which was met receptively and could be included as one of the meetings in the proposal. Manager Watkins stated that he has found them to be flexible regarding the proposal and that there is an item within the proposal that the Township will not be doing and feels that the project can be completed at the current bid even adding some meetings to the plan.

Treasurer Pizzo asked whether this company was handling the Sign Ordinance revisions and Manager Watkins stated that project is completely separate and will be handled later after proposals are received.

The following is as amended by Trustee Hicks at the January 21, 2014 Regular Board meeting: Trustee Fedewa stated that he concurs with Trustee Kosinski and Treasurer Pizzo and believes that the selected company is a progressive and in depth company.

Manager Watkins recalled a concern prior to beginning the process is ending up with a readable zoning ordinance on the Township website and stated the other company that was interviewed had a better product in that regard, however what the selected company is bringing to the table was more in line with what the Township identified it wanted.

Trustee Fedewa stated that the Center for Urban Planning at MSU will be sponsoring training sessions for staff, the Township Board, Planning Commission. Assistant Community Development Director Bozek stated as a requirement for receiving this training from MSU, the Township needed to invite local officials, County Commissioners, and surrounding community representatives, the training is scheduled for May 8 and May 29, 2014.

Assistant Director Bozek stated the first session is on place-making and the second session is how to implement the strategy.

2. 2013 Financial Review, Jeff Anderson

Finance Director Anderson stated that he will be presenting an overview of the annual audit and it will be presented at the next Board meeting formally.

Beginning with the General Fund, Finance Director Anderson stated that 2013 was a good year. Expenditures were almost exactly as budgeted. Revenues were at \$16.5 million which is an increase of nearly 4.5% increase – resulting in a surplus of slightly over \$800,000 at the end of the year.

Finance Director Anderson stated that expenditures in 2013 were 1% above 2012 which was budgeted for, otherwise were very consistent with 2012.

Finance Director Anderson stated that property tax revenues show that the negative impact of the Recession has stopped and showing slight increases.

Finance Director Anderson stating that Building Permit fees exceeded the expected revenue budgeted of \$300,000 – bringing in over \$900,000 which is as high as it has been since 2006.

Revenues were up in Ambulance fees as runs were up and the Township is doing a good job of managing man hours and collecting fees.

Finance Director Anderson stated that the Township actually recorded negative interest for 2013 and explained that the Township manages \$40-50 million in any given month, half of which is in a Bond portfolio. Director Anderson stated that the 10 year treasury at the end of 2012 was just over 2%, in 2013 it was at 3%. Director Anderson stated that Bonds and prices have an inverse relationship – as interest goes up – face value/prices of bonds go down. The Governmental Accounting Standards Board (GABS) requires the Township to book its investment portfolio to market as if the investments were to be sold on December 31, 2013. If the Township were to actually sell those investments – the Township would realize an actual loss which is what the negative \$107,648 reflects. Director Anderson stated that it is to him a paper loss further stating the Township would never experience that loss because the Township would not sell bonds before their maturity because the Township does not have a cash flow problem.

Clerk Clark clarified that the statement is actually a reflection of how the Township has to record the figures as well as the rates.

Director Anderson next addressed the General Fund Balance as shown below and stated the first line of inventory which is blank because there was no

inventory carried over. The prepaid line item is what that the Township is required to keep in reserve. Director Anderson stated the Budget Stabilization line is a requirement of the State of Michigan.

Director Anderson stated that the Assigned category – which are monies that he and Township Manager Watkins have been authorized to assign to help achieve the goals of the Township. Director Anderson stated that this has been achieved in a couple of different ways – stating there was over \$800,000 to divide up and that was done in 3 main areas: Roads which had \$300,000 assigned, Retiree Health Insurance had \$100,000 added, and Capital Improvements which had \$300,000 added which could be used in Parks.

GF FUND BALANCE		
FUND BALANCE:	2013	2012
Nonspendable:		
Inventory		90,000
Prepaid items	59,960	48,482
Restricted:		
Budget stabilization	450,000	450,000
Assigned:		
Compensated absences	914,455	803,095
Roads	1,000,000	700,000
Retiree health insurance	2,100,000	2,000,000
Non-motorized transportation	500,000	500,000
Capital improvements	1,600,000	1,300,000
County drains	200,000	200,000
Unassigned	8,241,758	8,161,530
TOTAL FUND BALANCE	\$15,566,173	\$14,753,107

The balance was put into the Unassigned category.

Director Anderson stated that the Sewer Fund had a 2.2% increase instituted in June 2013. Director Anderson stated with the exception of 25% of the Carrier Creek drain assessment there is no debt in the Sewer Fund.

Finance Director Anderson next presented the Water Fund stating that sales saw a decrease compared to 2012 – however pointed out that 2012 was one of

the driest ever. Director Anderson pointed out there as an increase in Main, Capital & Other Charges which is directly related to new homes and businesses. Director Anderson stated that the Township paid off nearly \$3.1 million in debt in the Water fund which actually leaves a positive cash position of almost \$100,000. Director Anderson stated that the reserve was used to pay off the debt in the Water fund and the Township will be monitoring the rate structure to ensure recoupment of funds to pay off future debt. Director Anderson noted that the Supplies line being down from 2012 is due to buying less water from the BWL. Director Anderson also stated that for every dollar billed for water, 65% is paid to the BWL, further stating the rate from BWL 7 years prior was 30%.

Next Finance Director Anderson addressed the Paramedic Fund, stating that the Paramedic Millage is levied in this fund and the expenses are accounted for in the General Fund – meaning the tax revenue comes and is transferred into the General Fund – which takes the expenses of the Ambulance fee, less money collected per run and the difference comes from the Paramedic fund. The Paramedic fund is slightly less due to buying an Ambulance.

Finance Director Anderson next addressed the Capital Fund which is essentially the Township saving account that major purchases are funded from such as fire trucks, election equipment, parks vehicles etc. Director Anderson stated that the fund balance will end out at approximately \$1.5 million. Manager Watkins stated that this fund helps the Township flatten out its costs for instance instead of paying \$250,000 in one year, dollars are accumulated and paid over time.

Finance Director Anderson next addressed the Other Post Employment Benefit Fund (OPEB) stating that at the end of 2013, \$525,000 was put away during the year and sent to the Trust. At the end of FY 2013 almost \$8.2 million in the Fund with a total liability of \$13 million – meaning the Township is currently 62% funded. Finance Director Anderson stated that Manager Watkins and he have discussed that perhaps the Township should consider transferring the \$2.1 million in the Retiree Health Insurance line item of the General fund. Director Anderson stated that the General Fund balance is healthy, there is nearly 100% of expenditures in reserves and that he and Manager Watkins would suggest transferring the line item which in turn would make the OPEB 80% funded.

Manager Watkins stated the surplus has accumulated over time, however have been unsure of the economic trend since 2008. Manager Watkins further stated that once the money is transferred into the OPEB it cannot be transferred out. Manager Watkins stated that the current upward trend of the economy comparing the status of the Township today versus in 2008, both he and Finance Director Anderson feel that it may be time to transfer that money into OPEB. Treasurer Pizzo stated that although the fund is at 62% it does need to be at 100%.

Finance Director Anderson stated that the money can be pulled out to pay Retiree Health Care premiums which are currently paid through Operations, however should the OPEB become 100% funded, it would reduce the amount of money that needs to be transferred annually, and it could also be used to pay the annual cost of the Retiree Health Insurance premiums which is ultimately its purpose.

3. Storm Debris Collection, Richard Watkins

Township Manager Watkins provided a history of the storm debris collection beginning with the Township opening the Players Club shortly after the storm for residents to bring their debris to. The site was closed after about 3 weeks due to the weather and the debris was chipped up. The site was reopened for a weekend and after assessing what was still on the ground, the decision was made to open Players Club for another month.

Township Manager Watkins stated that in the meantime many other communities have decided to provide curbside pickup, which he believes resulted from the State of Michigan making funds available for storm damage cleanup to the communities. Township Manager Watkins states that the Township is eligible for those funds and needs to apply for them.

Township Manager Watkins states that while the Township collected an enormous amount of debris the first opening of the Players Club, other communities have yet to start. Township Manager Watkins stated that those communities believe they can complete the cleanup in 6 weeks and is skeptical of that time frame.

Township Manager Watkins stated that overall residents have been accepting of the current no curbside service, there have been many calls inquiring whether the Township will be providing curbside. Township Manager Watkins stated that most residents have been appreciative of the current service offered.

Township Manager Watkins surveyed the Township using GIS to determine what is still left to be cleaned up. Some areas could not be seen if the brush was somewhere in the back of the home. Township Manager Watkins stated that he counted around 230 properties with brush by the road, or all over their property.

Treasurer Pizzo noted that he has noticed many trees with big limbs damaged and stuck in trees, further noting that at this point he surmises that what is left is the result of residents who cannot remove the debris themselves.

Discussion ensued regarding the pros and cons of implementing curbside now. Clerk Clark pointed out the highest concentration of homes that haven't done cleanup is situated between Michigan and Saginaw, East of Snow which probably house many older residents and certainly have older, larger trees.

Manager Watkins suggested that perhaps the route is to wait a couple of weeks and re-evaluate the current list with an updated list and go from there.

Clerk Clark asked what the repercussion is to the homeowner if they have collected the materials and don't remove it – whether that comes into play similar to the Weed Ordinance as in the Township picks it up and bills the homeowner. Clerk Clark also noted that if the property is a rental, is the cleanup the responsibility of the landlord?

Supervisor Fletcher stated that perhaps toward the end of the collection period, and there remain those last few properties that haven't cleaned up, perhaps the Township does pick up that debris.

Clerk Clark estimated that between the Accounting Department counter inquiries, direct calls to the Manager's Office, and Clerk's Office approximately 50-70 calls are being fielded daily. Previously the Clerk's office was fielding the calls, however if curbside is asked about the caller is transferred to the Manager's office.

Treasurer Pizzo stated that he supports re-evaluating the remaining debris closer to the close date of the collection site, however believes the property owner who has trees is responsible for maintaining healthy trees to minimize damage in storms.

Discussion ensued regarding the huge amount of debris at the collection site and the fact that there is more than the first collection date, compared to the amount remaining to be cleaned up which amounts to 2%, with 98% of the storm debris being cleaned up. The Board felt that the community really came together to get the Township cleaned up and should be commended.

Clerk Clark noted that the Township should be prepared to handle more yard waste than usual during the free days in May at the Recycling Center because many people have taken those dates. Discussion ensued regarding the location of the yard collection during the free dates, which will be determined. Manager Watkins stated that currently the chipper cannot come to remove the debris due to the frost load limits.

It was the consensus of the Board to re-evaluate what debris remains toward the end of the open period of the collection site.

Trustee Hicks asked if the rule regarding mulch at gas stations could be checked on, Manager Watkins stated he would check on that.

VII. ADJOURNMENT

Supervisor Fletcher adjourned the meeting at 7:53 p.m.

CHARTER TOWNSHIP OF DELTA

MARY R. CLARK, CLERK

KENNETH FLETCHER, SUPERVISOR

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Board Materials\Board Meetings\Minutes\April 14, 2014 Committee of the Whole
Minutes Approved: